

## **FISCAL NOTE**

### **HB 2455 - SB 2506**

March 6, 2002

#### **SUMMARY OF BILL:**

- Prohibits assessment of penalties on a taxpayer filing a franchise and excise tax return for a tax period ending on or after December 31, 2002, but before December 31, 2003, if each of its quarterly estimated payments equals 25% of 70% of its final tax liability for the tax year.
- Prohibits assessment of penalties on a taxpayer filing a franchise and excise tax return for a tax period ended on or after December 31, 2002, but before April 1, 2003, and that has quarterly estimated payments due before August 1, 2002, who after having timely made such payments finds that, because of amendments to the law made by the 2002 General Assembly, one or more of such payments may fall below 25% of the 70% of the final franchise and excise tax liability for the tax year; provided that in the event that all of the required quarterly payments have been timely made before August 1, 2002, the taxpayer may still avoid being penalized if any shortage is made up no later than August 15, 2002.
- Authorizes, but does not require, the Commissioner of Revenue to waive, in whole or in part, any statutory penalty assessed for the delinquent filing or deficient payment of any quarterly estimated franchise and excise tax payment due for tax years beginning on or after August 1, 2002, but before May 1, 2002, if in the judgment of the commissioner the taxpayer has acted reasonably and had made a good faith effort to comply with the statutory provisions of the franchise and excise tax law.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$44,000 One-Time**

**Decrease State Revenues - Not Significant**

**Other Fiscal Impact - The bill would not impact the amount of revenue received from franchise and excise tax collections but may shift the time period in which those payments are received.**

Estimate assumes:

- to the extent that the commissioner of revenue waives any penalties that would be assessed for non-compliance with current franchise and excise tax laws, such waiver would generate a decrease in state revenues
- a one-time increase in state expenditures resulting from MIS system modification costs in the Department of Revenue to implement the provisions of the bill.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

**HB 2455 - SB 2506**

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director